

# **EXHIBIT B**



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STANTON S. KREMSKY

v.

KENNETH F. KREMSKY

U.S. DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA  
CIVIL ACTION  
NO. 16-04474

V.

KENNETH F. KREMSKY

EXPERT REPORT

JANUARY 23, 2017

RE: Stanton S. Kremsky v. Kenneth F. Kremsky  
U.S. District Court for the Eastern District of Pennsylvania  
Civil Action No. 16-04474  
Expert Report

Dear Mr. Kelly:

I have been engaged to analyze the claim for damages of Stanton S. Kremsky ("Stan") against Kenneth F. Kremsky ("Ken") related to an alleged misappropriation of funds. I acknowledge this report will be used in litigation and that there are no other intended uses of this report. All opinions and conclusions in this report are stated within a reasonable degree of accounting certainty and I reserve the right to change, amend or supplement the opinions and conclusions upon receipt and review of additional information. This report has been prepared in accordance with the Statement on Standards for Consulting Services issued by the American Institute of Certified Public Accountants ("AICPA"). I was not retained to perform an audit, review or compilation as those terms are defined by the AICPA.

Based on my review and analysis, I have determined to a reasonable degree of accounting certainty, that I have accounted for all but Thirty-Seven Thousand Eight Hundred and Fifty-Eight Dollars (\$37,858) of the amounts claimed by Stanton S. Kremsky.

Respectfully submitted,  
  
John F. Maloney, CPA, CFE, CVA, ABAR



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#### THE CLAIM

In August 2016, Stanton S. Kremsky ("Stan", "SKK", or "Plaintiff") filed a Complaint ("Complaint") against Kenneth F. Kremsky ("Ken" or "Defendant") seeking to recover damages sustained as a result of funds being misappropriated and other actions and admissions.

#### BACKGROUND

From Complaint:  
 "Plaintiff is an adult citizen of the State of California"

"Plaintiff Kenneth F. Kremsky is an adult citizen of the Commonwealth of Pennsylvania"

"Plaintiff is the uncle of Defendant"

"In 2014, at Defendant's behest, Plaintiff gave Defendant access to Plaintiff's business and personal bank accounts at Chase Bank"

"Since July, 2014, the Plaintiff gave Defendant permission to withdraw funds from Chase Accounts"

Stanton Kremsky is a doctor operating in the State of California under the name of Stanton S. Kremsky MD, Inc ("SSK MD, Inc" or "SSDMK")

On October 17, 2016, Plaintiff provided Defendant with a Demand Letter seeking recovery of \$1,000,000.

The banking and investment accounts included in the allegations are as follows:

1. Chase #3670 (titled in name of Stan Kremsky); Chase #7160 (a business checking account titled in name of SSK MD, Inc.); and Chase #8320 (a business savings account titled in name of SSK MD, Inc.). Collectively these accounts represent the "Chase Accounts"
2. Chase #3002 is a business line of credit for SSK MD Inc.<sup>2</sup>
3. Everbank account #0459 and Everbank #5118. Both accounts are titled in the name of Stanton Kremsky and Ken Kremsky. Collectively these accounts are the "Everbank Accounts"
4. Ameritrade #6024 ("Ameritrade") is an investment account titled in the name of Stanton Kremsky.
5. Ironbeam #7999 ("Ironbeam") is an investment account titled in the name of Stanton Kremsky.
6. Wells Fargo #11117 ("Wells Fargo") is a checking account titled in the name of Stanton Steven Kremsky MD.

MDD Summary					
Sch	Category Description	Transfers, Checks, Purchases to Ken	Misappropriations	Other Possibilities	Total
2	Transfers, Checks, Purchases to Ken	\$ 263,318	\$ -	\$ -	\$ 263,318
3	ATM Withdraws	\$ 37,917	\$ 7,237	\$ 45,154	\$ 45,154
4	Rare Alcohol Purchases	\$ 44,652	\$ -	\$ 44,652	\$ 44,652
5	Unknown Withdraws, Checks and Purchases	\$ 489,618	\$ -	\$ 489,618	\$ 489,618
6	Credit Cards and ACH Payment Details	\$ 384,275	\$ -	\$ 384,275	\$ 384,275
	Total	\$ 345,387	\$ 881,130	\$ 1,227,917	\$ 1,227,917

<sup>1</sup> P001413 – text confirming the test transaction of Ken's initial transaction. Confirmed by Stan.

<sup>2</sup> MDD Report

<sup>3</sup> MDD Report

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## FINDINGS

After review and consideration of all information reviewed in preparing my analysis, I have accounted for all but the following amounts of alleged apparent misappropriations and other possible misappropriations after adjusting for certain items:

Category Description	Amount
1a. Transfers, Checks, Purchases to Ken Kremsky & Family	\$ 63,167
1b. ATM Withdrawals	-
1c. Rare Alcohol Purchases	-
1d. Unknown Withdrawals, Checks and Purchases	2,403
1e. Credit Cards and ACH Payment Details	6,614
<b>Subtotal</b>	<b>\$ 72,184</b>
<b>Adjustments</b>	
2a. 9/8/2015 K Kremsky Deposit to Everbank #5118 (from acc #1082)	(28,000)
2b. Real Estate - Equalization of Equity	23,674
2c. Compensation for managing Stan's accounts for 10 years	(30,000)
<b>Total</b>	<b>\$ 37,858</b>

Exhibit A represents a summary of the amounts deducted from Stan's claim. Exhibit I presents the documents reviewed and information considered for this report.

## 1. FINANCIAL ANALYSIS

The schedules prepared in the MDD Report were reviewed and analyzed. My analysis consisted of separating entries by account, reviewing information available, and having discussions with Ken. Discrepancies with alleged transactions were noted and deducted from Stan's claim. A summary of my findings for each category is as follows.

### a. Transfers, Checks, Purchases Related to Kenneth Kremsky and Family

Stan alleges Ken misappropriated \$263,318 of funds from the Chase Accounts and Everbank Accounts. Schedule 2 of the MDD Report provides detail of Stan's claim for this category.

#### Chase #3670

Items totaling \$48,000 consist of 11 transactions for the period January 2014 to November 2014. Prior to July 2014, Stan had complete control of the account. Ken obtained electronic access in July 2014<sup>6</sup>. Transfers totaling \$45,000 were made to Ken, by Stan, prior to the time Ken obtained access to the account. These amounts were discussed between Ken and Stan contemporaneously. There is no contemporaneous correspondence where Stan disputes the transfers to Ken. These amounts are deducted from Stan's claim.

#### Everbank #7118

Items totaling \$92,967 consist of approximately 50 transactions for the period September 2012 to August 2015.

#### Everbank #7118

On October 27, 2014, \$15,000 was transferred as Stan's capital in C213 (purchased October 30, 2014). On March 28, 2012, \$9,000 was transferred for Stan's capital contribution in A118. These amounts are deducted from Stan's claim.

On August 7, 2012 \$8,000 was used for metal purchases. These amounts are deducted from Stan's claim.

<sup>6</sup> P001413 – text confirming the test transaction of Ken's initial transaction. Confirmed by Stan.

<sup>7</sup> P000838 – reference to Ken Kremsky transfer from #3670.

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Wells Fargo

One item for \$29,000, dated November 2012, was for the purchase of metals. These amounts are deducted from Stan's claim.

Conclusion

A summary, by account, for this category is presented below. See Exhibit B for a detail of each transaction.

Description	Transfers, Checks, Purchases				
	Titled--> Stan	SSK MD Inc	Stan & Ken	Stan	Wells Fargo
Total Claimed by Stan	\$ (48,000)	\$ (15,000)	\$ (73,350)	\$ (92,967)	\$ (29,000)
Adjustments:					\$ (25,317)
Prior to July 2014-Chase 3670	45,000	5,000	-	-	5,000
Inter-account Transfers	3,000	-	-	-	3,000
Real Estate purchases	-	10,000	55,000	24,000	-
Real Estate expenses	-	-	-	1,000	-
Meta Purchases	-	-	20,150	8,000	29,000
Total	\$ -	\$ -	\$ (32,850)	\$ (52,967)	\$ (27,150)
					\$ (63,167)

My review accounted for all but \$63,167 for transfers, checks and purchases related to Kenneth Kremsky and Family.

h. ATM Withdrawals

Stan alleges Ken misappropriated \$15,172 of funds related to ATM withdrawals made on certain accounts. Schedule 3 of the MDD Report provides detail of Stan's claim for this category.

Everbank #5718

The withdrawals indicate transactions in the Pennsylvania area (\$37,932) as well as areas in the states of Louisiana and Florida (\$7,240). For the Louisiana and Florida transactions there are duplicate amounts of \$2,620 and they were deducted from the claim amount. The remaining Louisiana and Florida amounts were deducted as well as they are amounts for which Ken indicates were not withdrawn by him. The \$37,932 withdrawn from the Pennsylvania areas were also deducted. Ken indicated he provided this cash to Stan.

Chase Accounts

Duplicate amounts were deducted as were the withdrawals from the Louisiana and Florida area.

Conclusion  
 A summary, by account, for this category is presented below. See Exhibit C for a detail of each transaction.

ATM Withdrawals

Description	ATM Withdrawals				
	Titled--> Stan	Stan & Ken	Stan	SSK MD Inc	Total
Total Claimed by Stan	\$ -	\$ (43,172)	\$ (1,000)	\$ (1,000)	\$ (45,172)
Adjustments:					
Duplicate entries		2,620	500	500	3,620
Stan personal items (J.A., FL)		2,620	500	500	3,620
Cash provided to Stan		37,932	-	-	37,932
Adjusted Total	\$ -	\$ -	\$ -	\$ -	\$ -

Rare Alcohol Purchases  
 Stan alleges Ken made purchases of rare alcohol in the amount of \$44,652. Schedule 4 of the MDD report provides detail of Stan's claim for this category. All amounts claimed by Stan have been deducted. Ken indicated he had provided Stan with any rare alcohol that is identified in the schedule.

See Exhibit D for a detail of each transaction.

d. Unknown Withdrawals, Checks and Purchases

Stan alleges Ken misappropriated \$489,618 of funds related to unknown withdrawals, checks and purchases. Schedule 5 of the MDD Report provides detail of Stan's claim for this category.

Ameritrade 6024

Items totaling \$20,000 consist of 4 transactions for the period August 2014 to September 2015. The \$10,000 withdrawal on September 14, 2015 was for a transfer to Ameritrade #7008<sup>8</sup>. This amount was transferred into the account to hedge the metal positions of Stan. The other 3 withdrawals were used to purchase metals. These amounts are deducted from Stan's claim.

Chase 3602

Consists of 2 transactions totaling \$9,500. These amounts represent advances from the SSK MD Inc credit line<sup>9</sup>. Ken had no access to the business line of credit. Both transactions were deducted from Stan's claim amount. These amounts are deducted from Stan's claim.

Chase 3670

The claim amount represents less than 20 transactions for the period February 2014 to March 2014. Ken did not have access to this account prior to July 2014. Upon review of these transaction, many transactions are mortgage payments payable in monthly amounts of \$5,500. All amounts were deducted from Stan's claim amount.

<sup>8</sup> P000318  
<sup>9</sup> P001467 and P001471

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Chase 7160

The claim amount represents over 270 transactions totaling \$302,423 for the period September 2012 to December 2015. Approximately 230 transactions are prior to the time Ken has electronic access to the account. Of those 230 transactions, 191 transactions represented check payments. Ken did not have signatory rights on the account. There are no specific descriptions for over 200 items. There is reference to illegible checks. Copies of checks, included in the habeas stamp documents of Plaintiff, indicate Stan wrote and signed checks.<sup>10</sup> None of these transactions identifies Ken Kremsky. The transactions prior to July 2014 totaling \$279,513 were deducted from Stan's claim.

The remaining 48 transactions, totaling \$22,910 were also deducted. Stan was writing and signing checks on this business account. There are no specific references to Ken Kremsky in any of the transactions.

Chase 8320

There are 3 transactions totaling \$5,075 for the period August 2012 to December 2014. There is no reference to Ken Kremsky. Upon review of the bank statements, these were determined to be cash withdrawals. Ken did not have the authority to make a cash withdrawals in person. These amounts were deducted from Stan's claim.

Everbank 0459

There are approximately 40 transactions totaling \$31,408 for the period August 2014 to October 2014. There is one transaction for \$3,050 that references Mark Michaelson. Metals were purchased from Mike Michaelson. This amounts was deducted from Stan's claim.

There is one transaction in November 2014 for \$9,000 which was for the purchase of metals. Check #1072 was made out to Bank of America<sup>11</sup>. This amount was deducted from Stan's claim.

Transactions totaling \$17,698 represent Stan's expenses. Many items were for Chase, Home Mortgage, as well as other descriptions. These amounts were deducted from Stan's claim.

My review accounted for all but the \$1,010 paid to Cabelas in November 2014; \$500 paid to Capellas in October 2014; and \$150 paid to Capital One in February 2015. All 3 transactions total \$1,660.

Everbank 5118

There are more than 35 transactions totaling \$31,408 for the period August 2012 to July 2015. There are 3 transactions that represent metal purchases from Mark Michaelson in the amount of \$7,125. These amounts were deducted from Stan's claim.

Transactions totaling \$15,549 represent Stan's expenses. Items were for WF Home Mfg Auto Pay, Bank of Am, mortgage, Amazon Marketplace, Wal-Mart in Texas, Wine in Florida, Shell Station in Florida as well as other descriptions. These amounts were deducted from Stan's claim.

Conclusion  
 A summary, by account, for this category is presented below. See Exhibit E for a detail of each transaction.

		Unknown Withdrawals, Checks and Purchases							
		Stan	SSK MD Inc	Stan	SSK MD Inc	Stan	SSK MD Inc	Stan & Ken	Stan & Ken
Title	→	Attemate	(Class 302	Class 302	Class 7160	Class 8320	Everbank 0459	(Class 302	Everbank 0459
Total		\$ (20,000)	\$ (97,376)	\$ (302,423)	\$ (5,075)	\$ (1,408)	\$ (21,317)	\$ (48,619)	\$ (48,619)
Adjustments:									
Total Claim by Stan		10,000							
Inter-account Transfer:		10,000							
Metals		10,000							
Line of Credit Drawings									
Prior to July 2014-Chase 7160									
Stan writing checks-Chase 160									
Cash withdrawals - Stan									
Metals purchased-Mark Michaelson									
Stan expenses									
Total									
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (743)	\$ (2,493)

My review accounted for all but \$2,403 for the category of unknown withdrawals, checks and purchases.

E. Credit Card and ACH Payment Details

Stan alleges Ken misappropriated \$84,273 of funds related to credit card and ACH payments. Schedule 6 of the MDD Report provides detail of Stan's claim for this category.

Chase 7160

The claim amount represents over 100 transactions totaling \$1,97,825 for the period September 2012 to December 2015. Approximately 80 transactions are prior to the time Ken had electronic access to the account. None of these transactions identifies Ken Kremsky. Many transactions are for American Express card payments, Wells Fargo Dealer Services, Home Depot and other credit card payments. The transactions prior to July 2014 were deducted from Stan's claim. These amounts were deducted from Stan's claim.

The remaining 20 transactions totaling \$30,844 represent Stan's expenses. Many items were for the same items identified above. These amounts were deducted from Stan's claim.

Chase 8320

There are 40 transactions totaling \$117,070 for the period March 2014 to December 2015. All the transactions are payments to American Express. These items were not related to Ken Kremsky. They are determined to be Stan's expenses. The amounts were deducted from Stan's claim.

Everbank 0459

There are approximately 40 transactions totaling \$38,878 for the period September 2014 to July 2015. Amounts totaling \$6,614 that were paid to TD Bank, Citizens Bank, Huntington National Bank and 1<sup>st</sup> Financial Bank are related to Ken Kremsky. The remaining items were determined to be Stan's expenses. Many items were for Citicard, American Express, Kohls, Target, Discover and Bank of America. The amounts representing Stan's expenses were deducted from Stan's claim.

<sup>10</sup> In the documents reviewed, there are approximately 90 checks which were prepared and signed by Stan.

<sup>11</sup> P060829

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#### **Everbank 5118**

There are 5 transactions totaling \$30,500 for the period November 2010 to December 2014. There are 4 payments totaling \$28,000 that were determined to be Stan's expenses. There is a payment to Citizens Bank that was a capital contribution of Stan's to cover rental costs of the properties in which he is a silent partner with Ken. All items were deducted from Stan's claim.

#### **Conclusion**

A summary, by account, for this category is presented below. See Exhibit F for a detail of each transaction.

	Credit Cards & ACH Payments			
	SSK MD Inc	SSK MD Inc	Stan & Ken	
Total Claimed by Stan				
Prior to July 2014-Chase 7160	\$ (19,732)	\$ (117,070)	\$ (38,873)	\$ (38,275)
Stan expenses	166,381	30,844	32,264	166,581
Real Estate expenses	30,844	117,070	28,000	28,178
Total	\$ -	\$ -	\$ (6,614)	\$ 2,500
				\$ (6,614)

My review accounted for all but \$6,614 for the category of credit card and ACH payments.

#### **2. ADJUSTMENTS**

During my review, I determined that the following adjustments must be made to Stan's claim.

##### **a. Ken deposit**

On September 8, 2015 Ken Kremsky made a deposit into Everbank #5118 in the amount of \$28,000<sup>12</sup>. Stan's claim does not include a reduction for the amounts deposited by Ken. An adjustment was made to reduce Stan's claim by \$28,000.

##### **b. Real Estate**

See Exhibit G for a summary of the 3 properties purchased by Ken and Stan, an analysis of the real estate rental activity reported on Ken's individual income tax return and a reconciliation of Stan's capital interest.

Ken purchased 3 properties in Atlantic City, NJ in which Stan is a 50/50 silent partner. The total cost of the properties was \$137,900. The properties were purchased in the name of Ken Kremsky. On or about October 19, 2015 the title to C213 was transferred to HG Kremsky RE Holdings, LLC. HG Kremsky RE Holdings, LLC is a single-member LLC owned by Ken Kremsky.

In addition to the original cost, there were at least 2 significant improvements made to the properties for a total of \$24,321<sup>13</sup>. Total cost plus improvements is \$162,221.

<sup>12</sup> P000922 Everbank #5118 account, Transfer from Ken F. Kremsky.  
<sup>13</sup> KK000722 for \$8,921 and KK000710 for \$15,400

There is a mortgage on the A118 property. At the time of purchase, there was a mortgage for \$45,000 with TD Bank. The borrower is identified as Ken Kremsky.

In my review of Stan's claim, \$92,500 (\$89,000 + \$3,500) are capital contributions for the property investments.

The 3 properties reported losses of \$28,544 for the period 2010-2015 based on tax reporting on Ken's income tax returns. Adding back depreciation of \$10,363, a non-cash expense, computes a cash loss of \$18,181.

The total capital required for the properties would be determined by adding the original cost and improvements, subtracting the estimated mortgage balance, and adding the capital required to fund rental losses on the property. It was estimated that the current mortgage balance is approximately \$42,750 (\$45,000 x 95%). A summary of required capital is as follows:

	Total Capital Required for Properties	
Original cost plus improvements	\$ 162,221	
Approximate Mortgage Balance	\$ (42,750)	
Subtotal	\$ 119,471	
Losses Incurred	\$ 18,181	
Total Capital Required	\$ 157,652	

Ken and Stan are 50/50 partners in the properties. Therefore, they should have equal capital investments. Based on the analysis of Stan's claim, it was determined his capital contributions in the properties is \$92,500. Stan would have been required to have contributed \$68,826 (\$137,652 x 50%). Stan is due an amount to equalize his equity contribution with Ken. The equalization of capital amount due to Stan is calculated as follows:

	Capital Equalization Adjustment	
Capital Contributions of Stan	\$ 92,500	
50% of Required Capital	\$ 68,826	
Equalization with Stan	\$ 23,674	

Based on the analysis of Stan's interest in the real estate, \$23,674 would be needed to adjust Stan's capital to reflect the intended 50/50 interest. After this adjustment, Stan and Ken would remain equal partners with equal equity.

#### **3. Compensation to Ken for Time Spent Managing Investments**

Ken has assisted Stan with managing his various accounts for over 10 years. During that time, Ken has discussed investments with Stan, purchasing metals for Stan, sold metals for Stan, purchased rare alcohol, assisted Stan with establishing his defined benefit plan, assisted with income tax audits by tax authorities as well as communicating with third party institutions. There are other tasks that were supportive of his role in assisting Stan. These tasks saved Stan considerable time having to tend to such matters on a daily, weekly, monthly or annual basis.

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During this time, Ken did not receive any compensation from Stan for the services he provided. Ken has reasonably estimated that he has spent an average of 10-20 hours per month over a 10-year period.

To be compensated for his services, Ken can reasonably be compensated at a rate of \$25 per hour. At \$25 per hour, if a person was paid for working 2,000 hours per year (50 weeks x 40 hours per week), that would equate to an annual payment of \$50,000 per year. That is a reasonable amount of compensation for someone performing the tasks completed by Ken.

Based on the amounts above, the following schedule calculates the compensation due Ken for the 10-year period using 10 hours per month and 20 hours per month.

Compensation to Ken for Investment Management		10.00	20.00
Hours Spent Each Month		\$ 25	\$ 25
Reasonable Hourly Rate		\$ 250	\$ 500
Cost Per Month		12	12
Months in a Year		\$ 3,000	\$ 6,000
Cost Per Year		10	10
Number of Years Managing Investments		\$ 30,000	\$ 60,000
Total Compensation Due			

An adjustment was made to reduce Stan's claim by \$30,000 to compensate Ken for his services.

### 3. OTHER MATTERS

#### 3.1 Metal Purchases

As part of my review, there are several transactions identified as metal purchases totaling \$76,325 (\$66,150 plus \$10,175 for metal purchases with Mark Michaelson). Exhibit H includes a detail of the metal invoices included in the documents reviewed. The total of all invoices is \$301,824.

In most cases, when Ken purchased metal Stan would also purchase metals. There are some transactions where Stan notified Ken not to invest in metals. That was more the exception rather than the rule.

Fifty percent of the total metal purchase for which there are invoices is \$100,912. The total amount of metal purchases identified in Stan's claim is \$76,325. Based on the information available it is reasonable that \$76,325 was used for metal purchases.

### 4. MDD REPORT

Defendants engaged MDD Forensic Accountants ("MDD") to "undertake an analysis of certain accounting records and other pertinent data of Dr. Stanton Kremsky and Kenneth Kremsky in evaluation of the misappropriation of funds that is alleged by Dr. Kremsky". MDD presented their preliminary findings in a report dated December 30, 2016 ("MDD Report").

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**EXHIBIT SUMMARY**

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**EXHIBIT A**

		Summary of Analysis [By State]							
		Chart 3975	Chart 7160	Chart 8320	Chart 1002	Chart 0459	Chart 1117	Chart 5118	Chart 6074
Transfer, Checks, Purchases		\$ 48,000	\$ 15,000	\$ -	\$ -	\$ 78,500	\$ 92,567	\$ 29,000	\$ -
Checks by Stan									
Administrative:									
Prior to July 2014-Chart 3670		(\$5,000)							
Prior to July 2014-Chart 7160		(3,000)							
Later accountants Transfer		(15,000)							
Real Estate purchases									
Real Estate expenses									
Metal Purchases									
Category total		\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 59,567	\$ -	\$ 63,167 (+)
ATM Withdrawals		\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ 43,172	\$ -	\$ -
Checks by Stan									
Administrative:									
Duplicate entries		(\$50)					(\$2,600)		
Stan personal items (L.A. P.L.)		(\$50)					(\$2,600)		
Cash provided to Stan							(\$1,922)		
Category total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rare Alcohol									
Checks by Stan									
Administrative:									
Rare Alcohol delivered to/purchased by Stan									
Category total		\$ -	\$ -	\$ -	\$ -	\$ -	(\$4,065)	\$ -	\$ -
Unknown Withdrawals, Checks and Purchases									
Exhibit E									
ATM Withdrawals									
Exhibit D									
Rare Alcohol Purchases									
Exhibit B									
Transfers, Checks, Purchases Related to Kenneth Kremsky and Family									
Exhibit C									
ATM Withdrawals									
Exhibit F									
Credit Card and ACH Payments									
Exhibit G									
Real Estate									
Exhibit H									
Metal Purchases									
Exhibit I									
Documents Reviewed & Information Considered									
Exhibit J									
Qualifications of John F. Maloney, CPA, CFF, CVA, ABAR									
Credit Cards & ACH Payments									
Checks by Stan									
Administrative:									
Prior to July 2014-Chart 7160		(\$16,581)					(\$2,000)		
Stan expenses		(\$30,844)					(\$2,500)		
Re: Estate expenses									
Subtotal		\$ -	\$ -	\$ -	\$ -	\$ 6,614	\$ -	\$ -	\$ 6,614 (+)
Total, All Components		\$ -	\$ -	\$ -	\$ -	\$ 11,574	\$ 60,710	\$ -	\$ 72,184 (+)
Adjustments:									
9/20/15 K.Kremsky Deposit to Exchange in Real Estate Investments									
Equation of Earnings in Real Estate Investments									
Compensation for Team Sprint Managing Environment									
Total									\$ 31,735

Adjustments:  
9/20/15 K.Kremsky Deposit to Exchange in Real Estate Investments  
Equation of Earnings in Real Estate Investments  
Compensation for Team Sprint Managing Environment  
Total

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## Transfers, Checks, Purchases to Ken Kremsky & Family

EXHIBIT B

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EXHIBIT C

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## EXHIBIT D

Ref	Account	Description	Transaction	Date	Amount	Description	Date	Amount	Sum & Recd	Sum & Recd
Base Account Detail										
111	Bankbook #5118	Visa Purchase	10/20/15 December	2015	(1,809) Payroll - Construction	10/20/15 March	2015	5 (746) Scotch Whisky Auctions	(5,746)	
123	Bankbook #5118	Visa Purchase	10/20/15 December	2015	(612) The Whisky Barn Co	10/20/15 December	2015	(415) The Whisky Barn Co	(1,027)	
145	Bankbook #5118	Visa Purchase	10/20/15 December	2015	(47) Just Whisky LTD Purchase	10/20/15 November	2015	(356) Scotch Whisky Auction	(356)	
170	Bankbook #5118	Visa Purchase	10/20/15 December	2015	(3,848) Scotch Whisky Auction	11/20/15 November	2015	(3,848) Scotch Whisky Auction	(3,848)	
175	Bankbook #5118	Visa Purchase	10/20/15 December	2015	(77) The Whisky Exchange London	11/20/15 November	2015	(77) The Whisky Exchange London	(77)	
192	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(1,720) Scotch Whisky Auction	11/20/15 November	2015	(1,720) Scotch Whisky Auction	(1,720)	
216	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(77) The Whisky Exchange London	11/20/15 November	2015	(77) The Whisky Exchange London	(77)	
242	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(3,848) Scotch Whisky Auction	11/20/15 November	2015	(3,848) Scotch Whisky Auction	(3,848)	
268	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(2,297) Scotch Whisky Auction	11/20/15 November	2015	(1,661) Scotch Whisky Auction	(3,958)	
303	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(1,661) Scotch Whisky Auction	11/20/15 November	2015	(1,661) Scotch Whisky Auction	(3,958)	
320	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(2,297) Scotch Whisky Auction	11/20/15 November	2015	(1,661) Scotch Whisky Auction	(3,958)	
333	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(2,297) Scotch Whisky Auction	11/20/15 November	2015	(2,297) Scotch Whisky Auction	(5,954)	
396	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(5,954) Scotch Whisky Auction	11/20/15 November	2015	(5,954) Scotch Whisky Auction	(11,908)	
400	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(2,297) Scotch Whisky Auction	11/20/15 November	2015	(2,297) Scotch Whisky Auction	(4,594)	
422	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(1,661) Scotch Whisky Auction	11/20/15 November	2015	(1,661) Scotch Whisky Auction	(3,322)	
441	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(1,661) Scotch Whisky Auction	11/20/15 November	2015	(1,661) Scotch Whisky Auction	(3,322)	
448	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(1,661) Scotch Whisky Auction	11/20/15 November	2015	(1,661) Scotch Whisky Auction	(3,322)	
460	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(1,661) Scotch Whisky Auction	11/20/15 November	2015	(1,661) Scotch Whisky Auction	(3,322)	
482	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(1,661) Scotch Whisky Auction	11/20/15 November	2015	(1,661) Scotch Whisky Auction	(3,322)	
488	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(1,661) Scotch Whisky Auction	11/20/15 November	2015	(1,661) Scotch Whisky Auction	(3,322)	
495	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(1,661) Scotch Whisky Auction	11/20/15 November	2015	(1,661) Scotch Whisky Auction	(3,322)	
503	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(1,661) Scotch Whisky Auction	11/20/15 November	2015	(1,661) Scotch Whisky Auction	(3,322)	
521	Bankbook #5118	Visa Purchase	11/20/15 December	2015	(1,661) Scotch Whisky Auction	11/20/15 November	2015	(1,661) Scotch Whisky Auction	(3,322)	
Total										
					5 (44,652)			5 (746)	5 (746)	
Unknown Withdraws, Checks and Purchases										

## EXHIBIT E

Unknown Withdraws, Checks and Purchases







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Kenneth F. Kremsky

Ralph J. Kelly, Esquire  
January 23, 2017  
Expert Report

EXHIBIT F

## Credit Cards and ACH Payment Details

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Shanon S. Kremstv. v.  
Kenneth F. Kremstv  
Ralph J. Kelly, Esquire  
January 23, 2017  
Flemington, New Jersey  
Court of Common Pleas  
Bergen County

Ralph J. Kelly, Esquire  
January 23, 2017

EXHIBIT G

Kurniky v. Kurniky

EXHIBIT H

Kremsky v. Kremsky  
Metal Purchases - [Invoices]

Date	Vendor	Amount	stamp
7/29/2013	California Numismatic Investments	6,338.00	KK0000001
7/18/2014	California Numismatic Investments	2,079.00	P001496
4/14/2014	APMEX	459.98	P001495
7/21/2014	APMEX	17,174.95	P001492
7/19/2014	California Numismatic Investments	9,562.00	P001497
7/19/2014	California Numismatic Investments	316.42	P001499
7/19/2014	California Numismatic Investments	52,040.00	P001491
7/12/2014	B7 Exchange LLC	2,249.02	KK0000002
7/16/2014	APMEX	6,670.00	P001490
7/17/2014	Golddealer.com	2,080.00	P001489
7/23/2014	Golddealer.com	26,310.00	P001487
7/21/2014	Golddealer.com	3,646.95	P001486
7/22/2014	APMEX	128.00	KK0000009
7/17/2014	Silver Eagle-Store	430.17	P001485
7/20/2014	Modem Coin Mart	3,167.19	P001484
7/21/2014	APMEX	100.00	KK0000011
7/17/2014	Silver Eagle-Store	1,737.95	P001483
7/13/2014	APMEX	25,380.00	P001482
7/10/2014	Golddealer.com	6,090.22	P001481
7/26/2015	Golddealer.com	826.22	P001494
4/8/2015	APMEX	301.95	P001493
5/13/2015	Mary Waller	12,160.00	P001480
5/18/2015	Golddealer.com	859.23	KK0000021
7/27/2015	Silver City Auctions	20,034.00	P001479
7/24/2015	Golddealer.com	1,359.00	KK0000023
7/29/2015	L.B. Coins & Collectibles	\$ 201,824.03	

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 Kenneth F. Kremsky

EXHIBIT I

DOCUMENTS REVIEWED & INFORMATION CONSIDERED

1. Complaint, August 15, 2016
2. Demand Letter, October 17, 2016
3. Plaintiff's Response to First Set of Interrogatories Propounded by Defendant
4. Plaintiff Documents – Bates stamp P000001 – P001573
5. Defendant Documents – Bates stamp KK000001 – KK000791
6. Deposition of Kenneth F. Kremsky, November 17, 2016
7. Deposition of Stanton S. Kremsky, December 1, 2016
8. Discussions with Kenneth Kremsky
9. MDD Forensic Accountants report dated December 30, 2016
10. AICPA SS/CS No. 1

EXHIBIT J

QUALIFICATIONS

**JOHN F. MALONEY**

CERTIFIED PUBLIC ACCOUNTANT (CPA)

CERTIFIED IN FINANCIAL FORENSICS (CFF)

CERTIFIED VALUATION ANALYST (CVA)

ACCREDITED IN BUSINESS APPRAISAL REVIEW (ABAAR)

415 Sargent Way, Suite J  
 Horsham, Pennsylvania 19044  
 (215) 675-8364

PROFESSIONAL EXPERIENCE (1981-CURRENT)

Partner in the independent certified public accounting firm of Wouch, Maloney & Co, LLP, a full-service accounting and business advisory firm with offices in Horsham, PA, Yardley, PA, and Fort Myers, FL. Over 30 years of public accounting and consulting experience focusing on business valuation, damage measurement, estate planning, marital disputes, income taxation, accounting and auditing, business and strategic planning, business strategy development, shareholder agreements, disputes and resolution, succession, entity planning and structuring, operational budgeting, bankruptcy and performance assessment and improvement. Engagements have involved closely-held business entities and entrepreneurial individuals in the industries of construction, manufacturing, wholesaling, professional services, pharmaceutical, retail, and home building and development. Testified as an expert witness.

CERTIFICATIONS AND EDUCATION

- Certified Valuation Analyst (CVA), January 10, 1997
- Accredited in Business Appraisal Review (ABAAR), January 24, 2012
- Certified in Financial Forensics (CFF), February 28, 2009
- Certified Public Accountant (CPA), March 17, 1988
- Licensed in Pennsylvania and New Jersey
- Temple University - Bachelor of Business Administration (1981)

PROFESSIONAL ASSOCIATIONS AND MEMBERSHIPS

- American Institute of Certified Public Accountants (AICPA)
- Pennsylvania Institute of Certified Public Accountants (PICPA)
- National Association of Certified Valuation Analysts (NACVA)
- Construction Financial Management Association (CFMA)
- Associated Builders and Contractors of Southeastern PA (SEPA ABC)
- Former Director and Past President, Bucks County Estate Planning Council (BCEPC)
- Member of PICPA Business Valuation Committee

EXPERT TESTIMONY

Consulting and expert witness assistance in matters involving oppressed shareholders, valuation, construction accounting, and economic damage measurement. Testified as an expert in the U.S. District Court for the Eastern District of Pennsylvania, Bucks County Court of Common Pleas, Montgomery County Court of Common Pleas, Lehigh County Court of Common Pleas, and Philadelphia Court of Common Pleas. Appointed in Bucks County Court of Common Pleas to act as the independent accountant in resolving disputed accounting issues.

Ralph J. Kelly, Esquire  
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*Stanton S. Kremsky, v.  
Kenneth F. Kremsky*

EXHIBIT J  
QUALIFICATIONS  
continued

TESTIMONY LAST FIVE YEARS

- Security and Data Technologies, Inc. v. School District of Philadelphia, Philadelphia School Reform and Afirene Ackerman, United States District Court for the Eastern District of Pennsylvania (2016)
- Roberts Technology Group, Inc. v. Curwood, Inc., United States District Court for the Eastern District of Pennsylvania (2015)
- Scott Enterprises, Inc. v. City of Allentown, Lehigh County Court of Common Pleas (2013)
- Seidman, Jacob and Merrill Seidman, et. al v. Ronald L. Caplan, et. al., Philadelphia County Court of Common Pleas (2011)
- Robert Cooney v. Marion Cooney, et. al., Montgomery County Court of Common Pleas (2011)